PREVIEW CASE

Denny's and Shoney's Add Racial Equality to Their Menus

During the early 1990s, if you predicted two of the most popular casual family restaurant chains in the United States — Shoney's and Denny's — would appear on *Fortune* magazine's 1998 list of the best 50 companies for Asians, African Americans, and Hispanics, you would not have been taken seriously. After all, in 1992, Shoney's paid $132.8 million to settle a class-action discrimination suit filed by thousands of minority employees. In 1994, Denny's paid $54.4 million to African-American customers who claimed they were refused service. Only a few years later, however, Shoney's parent company — Advantica — ranked second on *Fortune's* list, and Denny's ranked thirteenth.

Obviously, things have changed — and quite radically. How could two corporate pariahs transform their treatment of minority customers and employees so dramatically? Officials from both restaurants admit the lawsuits were eye-openers, leading them to find ways to redeem themselves.

Shoney's previously filled high-level positions from outside the company, thus neglecting talented minorities. Today, all openings are posted, and minority employees are seeking — and getting — these positions.

Advantica's CEO, Jim Adamson, is taking an even more proactive stance at Shoney's. Acknowledging that minority candidates tend not to have equal chances in the corporate world, he is taking the initiative at finding such individuals to fill top slots. Today, as a result of these efforts, one-third of the company's directors are Asians, African Americans, and Hispanics — more than any other company on *Fortune's* list. In 1992, no one from these groups was included among the Shoney's top corporate managers. In addition, direct purchases from minority-owned suppliers have zoomed from $0 to $125 million during the past five years alone.

To ensure Advantica's attention to giving everyone a chance is more than superficial, managers are evaluated on 10 basic competencies, one of which is "valuing diversity." Any manager who falls short on this measure can find one-quarter of his or her bonus pay withheld — and anyone who misses the point completely is dismissed. At Denny's, attention to diversity extends beyond the workforce and to franchise ownership. In fact, minorities now own 35 percent of the company's 737 franchised restaurants.

Admittedly, some critics scoff at these corporate initiatives, claiming their motives are not genuine because the courts are looking over their shoulders. Others countered it is results — not motives — that matter. Given the benefits likely to result from diversifying the workforce — as well as the damage from not doing so — their commitment to minorities probably will continue.

Denny's and Shoney's changed their ways because they had to, but we suspect they eventually will realize the same benefits other companies have enjoyed without being under the gun. In other words, an ethnically diverse group of employees has a great deal to offer, and by giving these individuals equal opportunities, Denny's and Shoney's now can draw on this human capital to improve performance. In turn, this should keep all employees feeling good about working there, thereby keeping them on the job. Obviously, such feelings can have a strong effect on how we behave in organizations. Indeed, such feelings — or *attitudes*, as they are called — represent an important part of people's lives, particularly on the job. Not only may our attitudes toward jobs and organizations, which are referred to as *work-related attitudes* — have profound effects on how we perform, they also may affect the quality of life we experience while at work.

We begin by describing the general nature of attitudes, and then we take a closer look at several specific types of work-related attitudes. We start with *job satisfaction*, which essentially is a person's positive or negative feelings about their job.[1] Specifically, we describe some of the major factors contributing to feelings of satisfaction and dissatisfaction with one's work, and we consider the consequences of such reactions on OB.

Building on this, we then turn to another important work-related attitude: *organizational commitment*. This involves people's feelings about the organizations for which they work — that is, the degree to which they identify with the organizations that employ them.[2] Finally, we turn to a special type of attitude with which you probably are

all too familiar: *prejudice*. This involves negative views about others who fall in certain categories, such as women and ethnic minorities (to mention just a few).[3] Such attitudes can seriously disrupt the lives of individuals and the effective functioning of the organizations that employ them.

ATTITUDES: WHAT ARE THEY?

If we asked how you felt about your job, we probably would find you to be very opinionated. For example, you might say you really like it and think it is very interesting. Perhaps you might complain about it bitterly and say it bores you out of your mind. Maybe you would hold views that are more complex, liking some things (e.g., "My boss is great.") and disliking others (e.g., "The pay is terrible.").

Three Essential Components of Attitudes

The attitudes we all express, no matter what they may be, consist of three major components: an *evaluative*, a *cognitive*, and a *behavioral* component.[4] These represent the basic building blocks of our definition of attitudes (Figure 5.1).

Thus far, we have suggested that attitudes greatly affect how we feel about something. Indeed, this aspect of an attitude — that is, its evaluative component — refers to our liking or disliking of any particular person, item, or event (what might be called the *attitude object*, or the focus of our attitude). For example, you may feel positively or negatively toward your boss, the sculpture in the lobby, or the fact that your company just landed a large contract.

Attitudes involve more than feelings, however. They also involve knowledge — that is, what you believe about an attitude object. For example, you might believe that a coworker is paid more than you or that your supervisor does not know much about the job. Whether completely accurate or totally false, these beliefs, comprise the cognitive component of attitudes.

As you might imagine, what you believe about something (e.g., "My boss is embezzling company funds.") and how you feel about it (e.g., "I can't stand working for him.") may affect how you are predisposed to behave (e.g., "I'm going to look for a new job."). In other words, attitudes also have a behavioral component — that is, a

evaluative component
Our liking or disliking of any particular person, item, or event.

cognitive component
What we believe, whether true or false, about an attitude object.

behavioral component
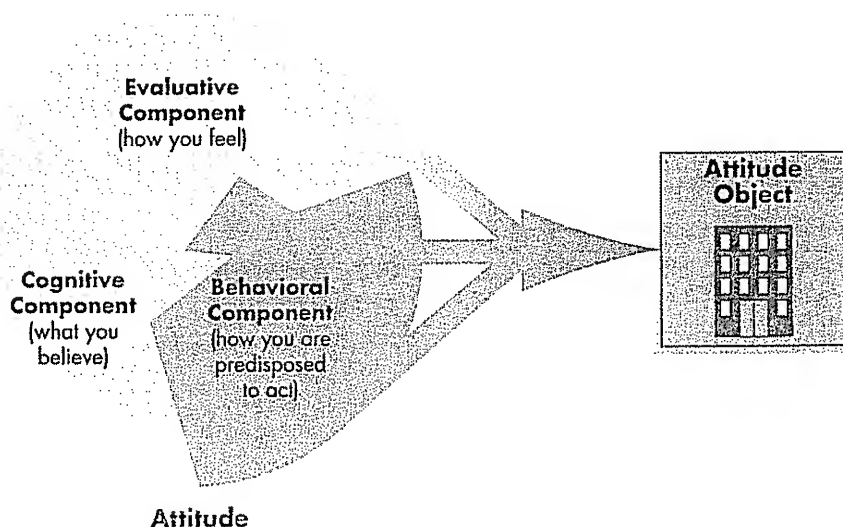Our predisposition to behave in a way consistent with our beliefs and feelings about an attitude object.

FIGURE 5 1

Three Basic Components of Attitudes

Attitudes are composed of three fundamental components: an *evaluative component*, a *cognitive component*, and a *behavioral component*.

Attitude

predisposition to act a certain way. Such a predisposition may not actually be predictive of one's behavior, however. For example, you may be interested in taking a new job, but you might not actually take one if a better position is not available or if other aspects of the job compensate for your negative feelings In other words, your intention to behave a certain way may —or may not—dictate how you actually do.

GLOBAL MATTERS

People do not always behave in ways that are consistent with their attitudes. For example, workers from Western countries may hold negative attitudes toward their coworkers and treat them poorly as a result. In Asian cultures, however, treatment of others is more deeply rooted in tradition, which may take precedence over personal feelings.

Basic Definitions

attitudes
Relatively stable clusters of feelings, beliefs, and behavioral intentions toward specific objects, people, or institutions.

Combining these various components, we can define attitudes as relatively stable clusters of feelings, beliefs, and behavioral predispositions (i.e., intentions toward some specific object). By including the phrase "relatively stable," we are referring to something that is not fleeting. In other words, once formed, it tends to persist. Indeed, as we explain in throughout this chapter (and also in chapter 16), changing attitudes may require considerable effort.

work-related attitudes
Attitudes relating to any aspect of work or work settings.

When we speak about work-related attitudes, we refer to those lasting feelings, beliefs, and behavioral tendencies toward various aspects of the job itself, the setting in which the work is conducted, and the people involved. Work-related attitudes are associated with many important aspects of OB, including job performance, absence from work, and voluntary turnover.

Now that we have identified the basic nature of attitudes, we turn our attention to specific work-related attitudes. We begin by describing a fundamental work-related attitude: *job satisfaction* (i.e., attitudes toward one's job).

JOB SATISFACTION: ATTITUDES TOWARD ONE'S JOB

If you asked people about their jobs, you likely would find they have strong opinions about how they feel (e.g., "I really dislike what I do."), what they believe (e.g., "We provide important services to the community."), and how they intend to behave (e.g., "I am going to look for a new position."). Considering people spend roughly one-third of their lives at work and what we do to earn a living represents a central aspect of how we think of ourselves as individuals, these strong feelings should not be surprising.

job satisfaction
Positive or negative attitudes held by individuals toward their jobs

The attitudes people hold toward their jobs are referred to as **job satisfaction**, and this is one of the most widely studied work-related attitudes. Formally, we may define job satisfaction as individuals' cognitive, affective, and evaluative reactions toward their jobs.[5]

In taking a closer look at job satisfaction, we address several major issues. For example, we consider how job satisfaction is measured, which is a key issue in assessing this concept. We also describe various theories of job satisfaction (i.e., systematic attempts to address how the process of job satisfaction works). We then review the major factors responsible for making people either satisfied or dissatisfied with their jobs. Finally, we consider the principal effects of job satisfaction on OB. Before considering these topics, however, we address a very basic question: Are people generally satisfied with their jobs?

Are People Generally Satisfied with Their Jobs?

If you were to make assumptions about people's general levels of job satisfaction from stories in newspapers of disgruntled workers going on strike or even killing their supervisors, you probably would think people generally are very dissatisfied with their jobs.[6] These are extreme examples, however. Overall, evidence suggests most people actually are quite satisfied with their jobs

Demonstrating this, a survey in the United States, Mexico, and Spain had workers indicate their levels of satisfaction with their work and the behavior of their supervisors.[7] As shown in Figure 5.2, the mean response to both questions was quite high — and uniformly so in all three countries. When considered together with other surveys (conducted over several decades) showing that 80 to 90 percent of people are relatively satisfied with their jobs, a much more optimistic picture emerges.[8]

Certain Groups of People Are More Satisfied with Their Jobs than Others   As you might imagine, the complete picture is more complex. Not everyone doing every type of job is equally satisfied. Specific patterns of job satisfaction or dissatisfaction have been clearly established in certain groups. So, then, who tends to be most satisfied with their jobs? Here are some key findings:

- White-collar personnel (e.g., managerial and professional people) tend to be more satisfied than blue-collar personnel (e.g., physical laborers, factory workers).[9]
- Older people generally are more satisfied with their jobs than younger people. Interestingly, however, satisfaction does not increase at an even pace. People become more satisfied with their jobs during their thirties (as they become more successful), level off during their forties (as they become disenchanted), and become more satisfied again during their late fifties (as they resign themselves to their lot in life).[10]

"I feel satisfied with the behavior of my supervisor"

People in all three countries were satisfied with the behavior of their supervisors

"I feel satisfied with my work"

People in all three countries were satisfied with their work

1 0 (strongly disagree)   1 5 (disagree)   2 0 (disagree)   2 5   3 0 (agree)   3 5   4 0 (strongly agree)

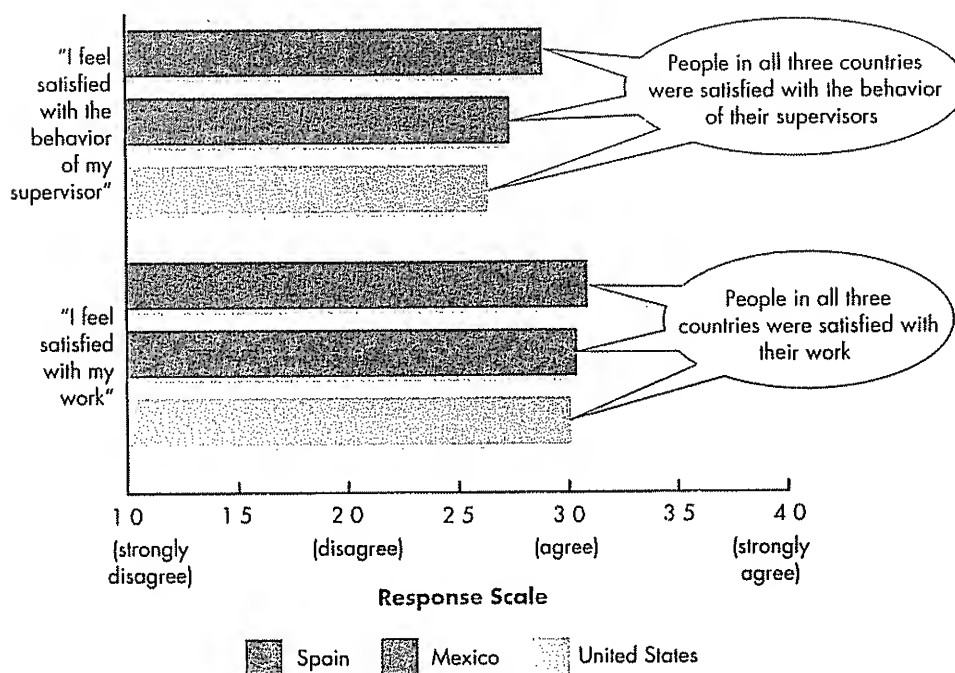**Response Scale**

Spain   Mexico   United States

FIGURE 5.2

Are People Satisfied with Their Jobs: A Three-Nation Comparison

When people in Spain, Mexico, and the United States were asked how satisfied they were with their work and the behavior of their supervisors, all responded very positively

(*Source:* Based on data reported by Page & Wiseman, 1993; see note 7)

- People who are more experienced on their jobs are more highly satisfied than those who are less experienced [11] This should not be surprising, because people who are highly dissatisfied with their jobs may be expected to find new ones when they can. Moreover, the longer someone stays on a job, the more strongly that employee rationalizes his or her tenure by perceiving the job in a positive light.

- Women and members of minority groups tend to be more dissatisfied with their jobs than men and members of majority groups.[12] This appears to result from the tendency for victims of discrimination to be channeled into lower-level jobs and positions with limited opportunities for advancement.

GLOBAL MATTERS

Are people from some countries more satisfied with their jobs than those from other countries? Despite some limited evidence of this effect, there appear to be no stable differences in overall job satisfaction throughout the world.

dispositional model of job satisfaction

The conceptualization proposing that job satisfaction is a relatively stable, individual disposition — that is, a characteristic that stays with people across situations

Some Individuals Are Always More Satisfied with Their Jobs than Others: Job Satisfaction As a Personal Disposition Not only may certain groups of people be more satisfied with their jobs than others, but also it appears some individuals are likely to be either consistently satisfied or dissatisfied with their jobs. This is the basic idea behind the **dispositional model of job satisfaction**. The main idea is that job satisfaction is a relatively stable individual disposition — that is, a characteristic that stays with people across situations. According to this conceptualization, people who like whatever jobs they are doing at one point in time can be expected to like the jobs they are doing at another point in time — even if the jobs are different.

This is exactly what researchers have found. For example, consider a fascinating study of more than 5,000 men who changed jobs between 1969 and 1971.[13] In this investigation, expressions of job satisfaction were relatively stable. In other words, despite having different jobs, men who were satisfied or dissatisfied in 1969 tended to be equally satisfied or dissatisfied in 1971. More recent research has found these effects last even longer — 10 years in one study.[14] Specifically, the more people reported feeling satisfied and involved with their jobs at one point in time, the more they also felt this same way 10 years later, when many things may have changed. (For a general overview of these effects, see Figure 5 3.) Such findings support the dispositional model of job satisfaction, thus leading us to conclude, quite simply, that some people tend to be more satisfied with whatever jobs they have than others.

Measuring Job Satisfaction: Assessing Reactions to Work

People have many different attitudes toward various aspects of their jobs, but these are not as easy to assess as you might think. You cannot directly observe an attitude, after all, and you cannot accurately infer its existence based on people's behavior. So, for the most part, we must rely on what people tell us to determine their attitudes. People generally are not entirely open about this subject, however, and they keep much of what they feel to themselves. Moreoever, sometimes our attitudes are so complex it is difficult to express them in any coherent fashion — even if we are willing to do so.

Social scientists have worked hard to develop reliable and valid instruments designed to systematically measure job satisfaction. Several useful techniques have been developed, including *rating scales* or *questionnaires*, *critical incidents*, and *interviews*.

Rating Scales and Questionnaires The most common approach to measuring job satisfaction involves questionnaires in which highly specialized rating scales are completed. Using this method, people answer questions, thereby allowing them to report
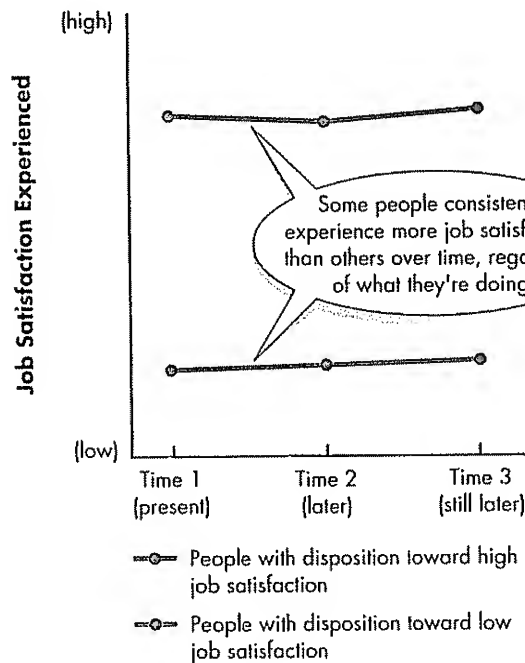
FIGURE 5.3

Some People Are Always More Satisfied with Their Jobs than Others

Results supporting the *dispositional model of job satisfaction* tend to take the form summarized here: Some people are consistently more satisfied with their jobs than others, even when they have held different jobs over long periods of time

their reactions to their jobs. Several different scales have been developed for this purpose, and these vary greatly in form and scope (Table 5.1 on page 174).

One of the most popular questionnaires is the **Job Descriptive Index (JDI)**, in which people indicate whether each of several adjectives describes a particular aspect of their work.[15] Questions on the JDI deal with five distinct aspects of jobs: the work itself, pay, promotional opportunities, supervision, and people (i.e., coworkers).

Another widely used measure, the **Minnesota Satisfaction Questionnaire (MSQ)**, uses a different approach.[16] In this scale, people rate the extent to which they are satisfied or dissatisfied with various aspects of their jobs (e.g., pay, chances for advancement). Higher scores reflect higher degrees of job satisfaction.

The JDI and the MSQ measure many aspects of job satisfaction, but other scales focus on specific facets of satisfaction. For example, the **Pay Satisfaction Questionnaire (PSQ)** primarily is concerned with attitudes toward various aspects of pay.[17] More specifically, the PSQ provides valid measures of critical aspects such as satisfaction with pay level, pay raises, fringe benefits, and the structure and administration of the pay system.[18]

One important advantage of rating scales is that they can be completed quickly and efficiently by many people. Another benefit is that when the same questionnaire already has been administered to thousands of individuals, average scores for people in many kinds of jobs and types of organizations become available. This allows the scores of people in a given company to be compared with these averages and measures of *relative* satisfaction to be obtained. This may be useful information for scientists interested in studying job satisfaction as well as for companies interested in learning about trends in the feelings of employees.

Critical Incidents Technique   A second procedure for assessing job satisfaction is the critical incidents technique, in which individuals describe events relating to their work they found to be especially satisfying or dissatisfying. Their replies then are examined to uncover underlying themes. For example, if many employees mention on-the-job situations in which supervisors treated them rudely or praised supervisors for sensitivity

Job Descriptive Index (JDI)

A rating scale for assessing job satisfaction; individuals respond to this questionnaire by indicating whether various adjectives describe aspects of their work.

Minnesota Satisfaction Questionnaire (MSQ)

A rating scale for assessing job satisfaction in which people indicate the extent to which they are satisfied with various aspects of their jobs.

Pay Satisfaction Questionnaire (PSQ)

A questionnaire to assess employees' satisfaction with various aspects of their pay (e.g., its overall level, raises, benefits)

critical incidents technique

A procedure for measuring job satisfaction in which employees describe incidents relating to their work they found especially satisfying or dissatisfying.

TABLE 5.1

Measures of Job Satisfaction: Some Widely Used Scales

The items shown here are similar to those used in three popular measures of job satisfaction.

JOB DESCRIPTIVE INDEX (JDI)	MINNESOTA SATISFACTION QUESTIONNAIRE (MSQ)	PAY SATISFACTION QUESTIONNAIRE (PSQ)
Enter "Yes," "No," or "?" for each description or word below.	Indicate the extent to which you are satisfied with each aspect of your present job Enter one number next to each aspect	Indicate the extent to which you are satisfied with each aspect of present pay Enter one number next to each aspect
Work itself:	1 = Extremely dissatisfied	1 = Extremely dissatisfied
___ Routine	2 = Not satisfied	2 = Not satisfied
___ Satisfactory	3 = Neither satisfied nor dissatisfied	3 = Neither satisfied nor dissatisfied
___ Good	4 = Satisfied	4 = Satisfied
	5 = Extremely satisfied	5 = Extremely satisfied
Promotions:		
___ Dead-end job		
___ Few promotions		Satisfaction with pay level:
___ Good opportunity for promotion	___ Utilization of your abilities	___ My current pay
	___ Authority	___ Size of my salary
	___ Company policies and practices	Satisfaction with raises:
	___ Independence	___ Typical raises
	___ Supervision-human relations	___ How raises are determined

Source: Based on items from the JDI, MSQ, and PSQ; see notes 15, 16, and 17

during a difficult period, this suggests that supervisory style plays an important role in their job satisfaction.

Interviews   A third procedure for assessing job satisfaction involves careful, face-to-face interviews with employees. By questioning people in person about their attitudes, it often is possible to explore more deeply than by using highly structured questionnaires. By carefully posing questions to employees and systematically recording their answers, it is possible to learn about the causes of various work-related attitudes. For example, one team of researchers relied on face-to-face meetings with employees to learn their feelings about their company's recent bankruptcy filing.[19] This highly personal approach to data collection is particularly effective in gathering reactions to such complex and difficult situations.

ETHICS MATTERS   To avoid jeopardizing respondents' jobs and to ensure valid responses, researchers who collect information about job satisfaction must keep all responses completely confidential and clearly assure the respondents of this. In fact, it is useful to keep the respondents' identities themselves anonymous, thereby making it impossible to identify anything that any one respondent may have said. ▨

Theories of Job Satisfaction

What makes some people more satisfied with their jobs than others? What underlying processes account for people's feelings of job satisfaction? We now describe two of the most influential theories of job satisfaction: *two-factor theory*, and *value theory*.

Two-Factor Theory   Think about some things that may have happened on the job that made you feel especially satisfied or dissatisfied What were these events? (This is an example of the *critical incidents technique* described earlier.) More than 30 years ago, an

organizational scientist posed this question to more than 200 accountants and engineers and then carefully analyzed their responses.[20] What that scientist found was somewhat surprising: Different factors accounted for job satisfaction and dissatisfaction. This is known as the two-factor theory.

You might have expected certain factors to lead to satisfaction when they are present and to dissatisfaction when they are absent, but this was *not* the case. Job satisfaction and dissatisfaction stemmed from different sources (Figure 5.4). In particular, dissatisfaction was associated with conditions surrounding the job (e.g., working conditions, pay, security, quality of supervision, relations with others) rather than with the work itself. Because these factors prevent negative reactions, they are referred to as *hygiene* (or *maintenance*) *factors*. In contrast, satisfaction was associated with factors associated with the work itself or to outcomes directly derived from it (e.g., nature of the job, achievement in the work, promotion opportunities, chance for personal growth and recognition). Because such factors are associated with high levels of job satisfaction, they are called *motivators*. Because motivators and hygiene factors are the major components of two-factor theory, it sometimes is referred to as motivator-hygiene theory.

Research testing this theory has yielded mixed results. Some studies have found job satisfaction and dissatisfaction to be based on different factors, which is in keeping with the distinction between motivators and hygiene factors.[21] Other studies, however, have found factors labeled as hygienes and motivators to exert strong effects on both satisfaction and dissatisfaction, thereby casting doubt on the two-factor theory.[22] Considering such equivocal evidence, we must label two-factor theory as an intriguing — but unverified — framework for understanding job satisfaction.

Two-factor theory still has important implications for managing organizations. Specifically, managers are well advised to focus their attention on factors known to promote job satisfaction, such as opportunities for personal growth. Indeed, several of today's companies have realized that satisfaction within their workforce is enhanced when opportunities are provided for employees to develop their repertoire of professional skills on the job. For example, front-line service workers at Marriott Hotels, who are known as "guest services associates," are hired to perform a variety of tasks, including checking guests in and out, carrying their bags, and so on.[25] Instead of doing just one job, this approach enables Marriott employees to call on and to develop many talents, thereby adding to their level of job satisfaction.

Two-factor theory also implies that conditions that help to avoid dissatisfaction should be created — and it specifies the kinds of variables required to do so (i.e., hy-

two-factor theory
A theory of job satisfaction suggesting that satisfaction and dissatisfaction stem from different groups of variables (i.e., motivators and hygiene, respectively)

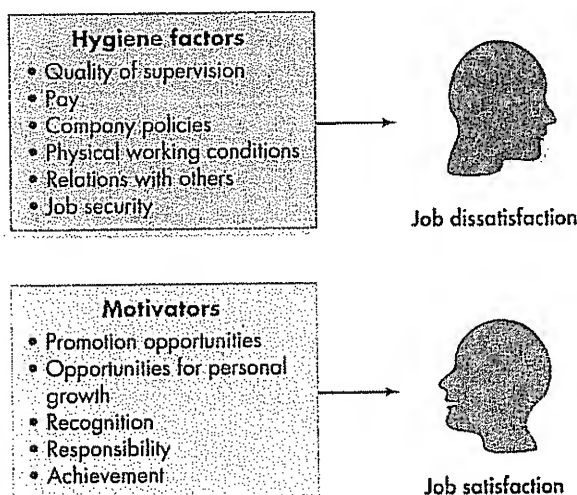**motivator-hygiene theory**
See *two-factor theory*

FIGURE 5.4

The Two-Factor Theory of Job Satisfaction

According to the *two-factor theory*, job satisfaction results from a set of factors referred to as *motivators*, whereas job dissatisfaction results from a different set of factors, which are known as *hygiene factors*. Some common motivators and hygiene factors are shown here

Hygiene factors
- Quality of supervision
- Pay
- Company policies
- Physical working conditions
- Relations with others
- Job security

Job dissatisfaction

Motivators
- Promotion opportunities
- Opportunities for personal growth
- Recognition
- Responsibility
- Achievement

Job satisfaction

giene factors). For example, pleasant working conditions may help to avoid job dissatisfaction. Specifically, dissatisfaction is great under conditions that are highly overcrowded, dark, noisy, extreme in temperature, and poor in air quality.[24] These factors, which are associated with the conditions under which work is performed but are not linked directly to the work itself, contribute much to the levels of job dissatisfaction encountered.

value theory

A theory suggesting that job satisfaction depends primarily on the match between the outcomes individuals value in their jobs and their perceptions about the availability of such outcomes

Value Theory A second important theory of job satisfaction is value theory.[25] This conceptualization claims job satisfaction exists to the extent the job outcomes (e.g., rewards) an individual receives match those that are desired. The more people receive outcomes they value, the more satisfied they are. Likewise, the less people receive outcomes they value, the less satisfied they are. Value theory focuses on *any* outcome that people value. The key to satisfaction in this approach is the *discrepancy* between those aspects of the job one has and those one wants; the greater the discrepancy, the less people are satisfied

Recent research provides good support for value theory. Using a questionnaire, one team of investigators measured the level of various job facets (e g , freedom to work one's own way, learning opportunities, promotion opportunities, pay level) that a diverse group of workers wanted as well as how much they felt they already had.[26] These investigators also measured how satisfied respondents were with each facet and how important each was to them. As shown in Figure 5.5, those aspects of the job about which respondents experienced the greatest discrepancies were the ones with which they were most dissatisfied, and those aspects with which they experienced the smallest discrepancies were the ones with which they were most satisfied. Interestingly, this relationship was greater among individuals who placed a high amount of satisfaction on a particular facet. In other words, the more important a particular facet of the job was believed to be, the less satisfied people were when they failed to get as much as they wanted.

FIGURE 5.5

Job Satisfaction: The Result of Getting What We Want

The larger the discrepancy between what people have and what they want regarding various facets of their jobs (e g , pay, learning opportunities), the more dissatisfied they are with those jobs. This relationship is greater among those who place great importance on the facet than among those who consider it to be less important.

(*Source*: Adapted from McFarlin & Rice. 1992; see note 26.)

Size of Have-Want Discrepancy

—○— High importance
—●— Low importance
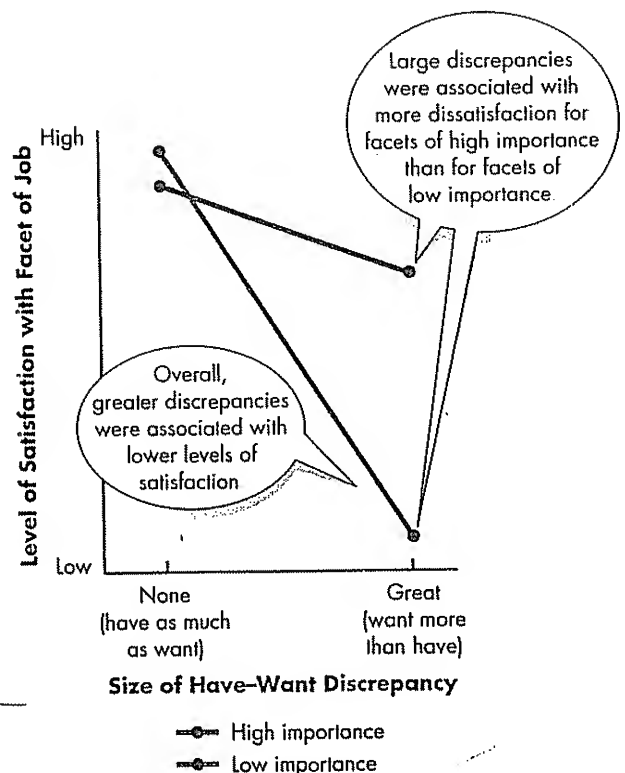
An interesting implication of value theory is that it calls attention to aspects that must be changed for job satisfaction to result. Specifically, this theory suggests these aspects might not be the same for everyone, but any valued aspects about which people perceive serious discrepancies. By emphasizing values, this theory suggests job satisfaction may derive from many factors. Thus, an effective way to satisfy employees is to find out what they want and — to the extent possible — to give it to them.

Believe it or not, this is sometimes easier said than done. In fact, organizations sometimes go through great pain finding out how to satisfy their employees. Thus, a growing number of companies (particularly big ones) have been surveying their employees systematically. For example, FedEx is so interested in tracking employee attitudes it now uses a fully automated, on-line survey. The company relies on information gained from surveys of its U.S.-based employees to identify sources of dissatisfaction among them.

Consequences of Job Dissatisfaction

People talk a great deal about the importance of building employee satisfaction; they assume morale is critical to the functioning of organizations. Job satisfaction does influence organizations, but its effect is not always as strong as one might expect. Thus, what are the consequences of job dissatisfaction? Here, we focus on two main variables: employee withdrawal (i.e., absenteeism and turnover), and job performance.

Job Satisfaction and Employee Withdrawal When employees are dissatisfied with their jobs, they find ways of reducing their exposure to them. In other words, they stay away from their jobs, which is a phenomenon known as employee withdrawal. Two main forms of employee withdrawal are *absenteeism* and *voluntary turnover*.[27] By not showing up to work or by quitting to take a new job, people may be expressing job dissatisfaction or attempting to escape from unpleasant aspects they may be experiencing.

employee withdrawal
Actions such as chronic absenteeism and voluntary turnover (i.e., quitting one's job) that enable employees to escape adverse organizational situations.

The less people are satisfied with their jobs, the more likely they are to be absent.[28] The strength of this relationship, however, is only modest. Job dissatisfaction is likely to be just one of many factors influencing people's decisions to report — or not to report — for work. For example, even people who really dislike their jobs may not be absent if they believe their presence is necessary to complete an important project. Other employees, however, might dislike their jobs so much they will "play hooky," showing no concern for how the company is affected. Thus, absenteeism, though not a perfectly reliable reaction to job dissatisfaction, is one of its most important consequences.

Another costly form of withdrawal is voluntary turnover. The lower people's satisfaction with their jobs, the more likely they are to consider resigning — and to do so. As with absenteeism, this relationship is modest for similar reasons.[29] Many factors relating to individuals, their jobs, and economic conditions shape decisions to move from one job to another. As you might imagine, many more variables are involved in making turnover decisions, many of which are described in Figure 5.6.[30] According to this conceptualization, job dissatisfaction leads employees to think about quitting. In turn, this leads to the decision to search for another job. If the search is successful, the individual develops definite intentions either to quit or to remain on the job. Finally, these intentions are reflected in concrete actions.

The suggestion that economic conditions and, hence, the success of an initial search for alternative jobs strongly affect voluntary turnover is supported by research. For example, consider one interesting study in which researchers examined many previous studies concerned with turnover.[31] They contacted the scientists who originally conducted these studies and determined the precise dates when data had been collected. These researchers then obtained data on unemployment rates at those times. They predicted the relationship between job satisfaction and turnover would be

FIGURE 5.6

Voluntary Turnover: A Model

Scientists conceive of voluntary turnover as a complex process triggered by low job satisfaction. This leads people to think about quitting and, then, to search for another job. Finally, they form intentions to quit or to remain on their present jobs. At several steps in this process, the probability of finding an acceptable alternative plays a role.

(*Source*: Based on suggestions by Mobley, Horner & Hollingsworth. 1978; see note 30.)
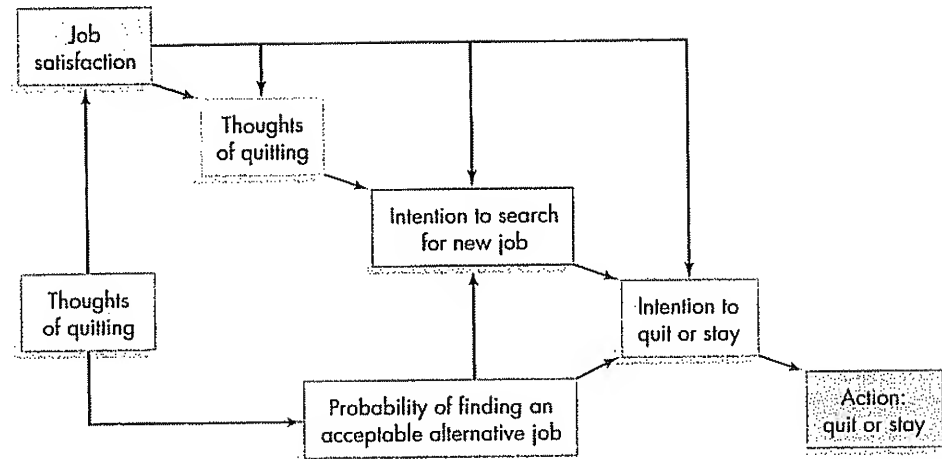
stronger when the unemployment rate was low than when it was high. When unemployment is low, they reasoned, people recognize they have many other job opportunities and are prone to take one when highly dissatisfied with their present jobs. In contrast, high unemployment limits alternative job options, thereby leading people to stay with their present jobs despite their dissatisfaction. This is precisely what they found: The higher the unemployment rates, the lower the correlation between job satisfaction and turnover.

Organizations are highly concerned about withdrawal, because it generally is very costly. The expenses of selecting and training employees to replace those who resign can be considerable. Even unscheduled absences can be expensive, averaging as high as $757 annually per employee by one recent estimate.[32] In fact, for the average large company, losses from absenteeism in 1998 were approximately $4 million — a figure that has been rising steadily over the years. Although voluntary turnover is permanent whereas absenteeism is a short-term reaction, both are effective ways of withdrawing from dissatisfying jobs.

Job Satisfaction and Task Performance Many people believe that happy workers are productive workers, but is this really the case? In other words, is job satisfaction directly linked to task performance or to organizational productivity? Overall, research suggests this relationship is positive but not especially strong. In fact, a review of hundreds of studies on this topic found that the mean correlation between job satisfaction and performance is extremely modest — only .17, which, as explained in the appendix to chapter 1, is quite small.[33] Why does job satisfaction have such a limited relationship to performance? There are several explanations.

First, many work settings have little room for large changes in performance. Some jobs are structured so that employees *must* maintain at least some minimum level of performance just to remain on their jobs. For others, there may be very little leeway for exceeding minimum standards. Thus, the range of possible performance in many jobs is highly restricted. Moreover, the rate at which many employees work is closely linked to the work of others or to the speed of various machines. As such, performance may have such little room to fluctuate it may not be highly responsive to changes in employee attitudes.

Second, job satisfaction and performance actually may not be directly linked. Any apparent relationship between them may stem from both being related to a third factor: receipt of various rewards. Some scientists suggest the relationship works as

follows:[34] Past levels of performance lead to the receipt of both extrinsic rewards (e.g., pay, promotions) and intrinsic rewards (e.g., feelings of accomplishment). If employees judge these rewards to be fair, they eventually may recognize a link between their performance and these outcomes. In turn, this may have two effects. First, it may encourage high levels of effort and, thus, good performance. Second, it may lead to high levels of job satisfaction. In short, high productivity and high satisfaction both may stem from the same conditions; however, these two factors themselves may not be directly linked. Thus, job satisfaction may not relate directly to performance in many contexts.

Job performance might not be closely affected by job dissatisfaction, but the concept of job satisfaction is very important. Naturally, we all want to be satisfied with our jobs. This keeps us from withdrawing from them, and it also makes them more pleasant and enjoyable. This is an important end in itself. (For some specific measures that can promote job satisfaction, see the "Tips" section on page 181.)

Guidelines for Promoting Job Satisfaction

Considering the negative consequences of job dissatisfaction, it makes sense to raise satisfaction and, thus, to prevent dissatisfaction on the job. An employee's dissatisfaction might not account for all aspects of his or her performance, but it is important to promote satisfaction — if for no other reason than to make people happy. After all, satisfaction is a desirable end in itself. Thus, what can be done to promote it? Based on what scientists know, we can offer several suggestions:

1. *Make jobs fun.* People are more satisfied with jobs they enjoy doing than with those they find dull and boring. Some jobs are intrinsically boring, of course, but some level of fun can be infused into almost any job. Creative techniques used in various companies include passing bouquets of flowers from one person's desk to another's every half hour, taking fun pictures of others on the job and posting them on the bulletin board, and organizing a contest in which people submit jokes (with judging conducted during the lunch break).[35] These tactics might not make the jobs themselves more satisfying, but they might reduce dissatisfaction by making the workplace more pleasant. For an example of how one entrepreneur is doing this, see Figure 5.7.

2. *Pay people fairly.* People who believe their organization's pay system is inherently unfair tend to be dissatisfied with their jobs. This applies not only to salary and hourly pay but to fringe benefits as well. In fact, when
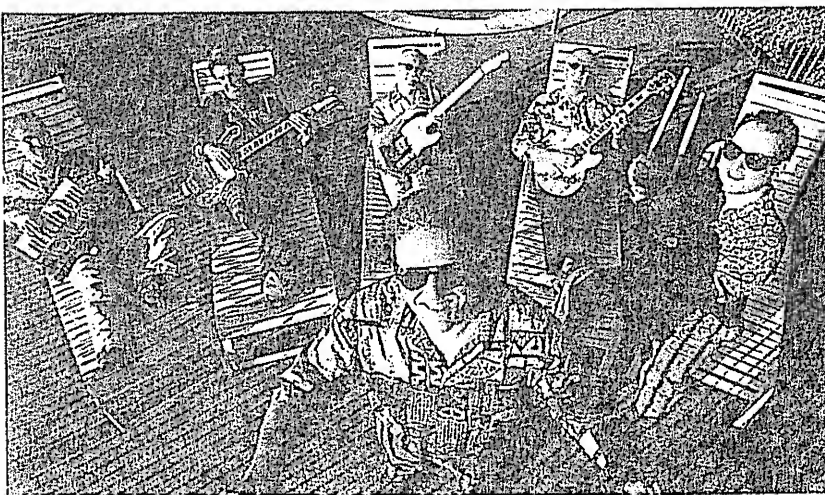

FIGURE 5 7

He Can Get Job Satisfaction: Yeah, Yeah, Yeah

Skip Maggioria, owner of Skip's Music in Sacramento, California, is satisfied with his job — because he has fun while helping others have fun. His approach is simple. He organizes rock bands composed of aging baby boomers who come together to relive the musical experience of their youth. This creative tactic not only promotes business at his store, it also creates a sense of fun and importance for Skip and all who work with him.

people can select the fringe benefits they most desire, their job satisfaction tends to rise, which is consistent with value theory. After all, given the opportunity to receive the fringe benefits they most desire, employees may have little or no discrepancies between those they want and those they actually have.

3. *Match people to jobs that fit their interests.* People have many interests, which only sometimes are satisfied on the job. The more people find they can fulfill their interests on the job, however, the more satisfied they are with those jobs. This is why career counselors frequently identify people's nonvocational interests. For example, several companies (e.g., AT&T, IBM, Ford Motor Company, Shell Oil, and Kodak) systematically test and counsel their employees so they can match their skills and interests with those positions for which they are best suited. Other companies (e.g., Coca Cola, Disney) even offer individualized counseling to employees so their personal and professional interests can be identified and matched.

4. *Avoid boring, repetitive jobs.* Most people find little satisfaction in highly boring, repetitive jobs (Figure 5.8). In keeping with two-factor theory, people are far more satisfied with jobs that allow them to succeed by taking control over how they do things. (This is the idea of job enlargement discussed in chapter 4.)

In conclusion, there is good news for managers interested in promoting satisfaction — and, thus, in avoiding dissatisfaction — among employees. It might not be easy to promote job satisfaction, especially considering the hectic pace of everyday work, but the benefits of keeping employees satisfied with their jobs suggests this effort may be extremely worthwhile. (Some of what we learn about how to improve job satisfaction comes from companies with dissatisfied employees who changed their attitudes dramatically in response to various things the company did. For an example of such a case, see the "Tips" section on page 181.)

FIGURE 5.8

Boring, Repetitive Jobs: A Common Cause of Dissatisfaction

Most people tend to be dissatisfied with jobs that require highly repetitive, boring work Fortunately for this patient, these surgeons are unlikely to be using this occasion to make their jobs more interesting!

(*Source:* From *Harvard Business Review,* Jan – Feb 1996 © Sidney Harris)
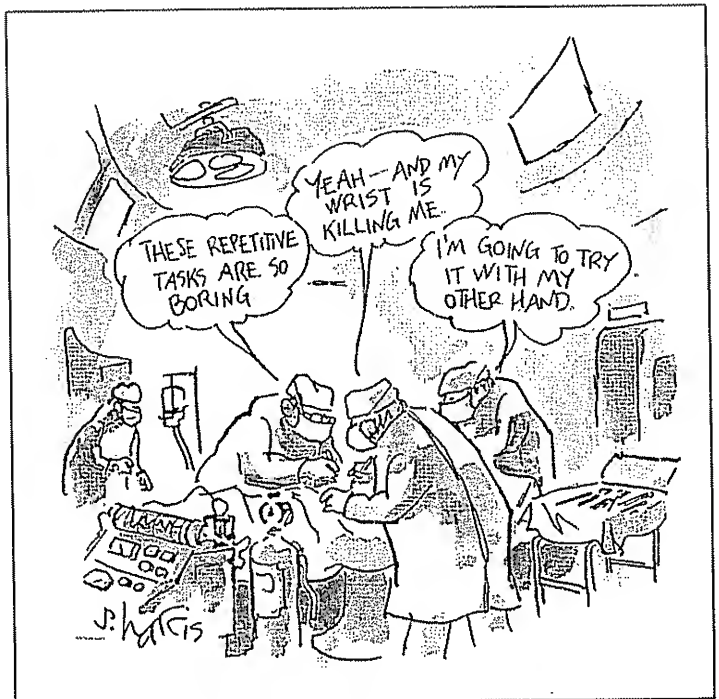
▣ Once Burned from Half-Baked Management, Safeway Bakery Makes Dough Again — And Employee Satisfaction Rises

Not long ago, there was a serious problem at the Safeway market in Clackamas, Oregon. The 130 bakery workers were so upset with their jobs they frequently were absent, quit, and had on-the-job accidents. These were not minor problems. In one year alone, accidents resulted in 1,740 lost workdays — a very expensive problem. Accidents only occurred, of course, when employees bothered to show up. At unpopular times such as Saturday night, it was not unusual for as many as eight percent of workers to call in sick. Almost no one stayed on the job for more than a year. Clearly, withdrawal was a very disruptive response to dissatisfaction in this organization.

What made these workers so dissatisfied? Oddly, it was something that did not have to be a problem: the disrespectful and uncaring way they were treated by management. The bosses were highly intimidating and controlling, thus leaving employees feeling powerless and discouraged (Little wonder these workers were dissatisfied.)

Once questionnaire responses and interviews identified the problem, however, managers realized they could turn things around — and that they did, by completely changing their management style. Acknowledging the problems caused by their iron-fisted style, managers began loosening their highly autocratic ways and to replace them with a new openness and freedom. Employees were allowed to work together toward solving problems of sanitation and safety, and they were encouraged to suggest improvements.

The results were dramatic: Workdays lost to accidents dropped from 1,740 a year down to only two, absenteeism fell from 8.0 to 0.2 percent, and voluntary turnover was reduced from almost 100 to less than 10 percent per year. Clearly, improving the quality of supervision went a long way toward reversing the negative effects of satisfaction at this Safeway bakery.

In general terms, what, precisely, did the Safeway managers do? First, they clearly treated their employees with respect, showing they had those employees' best interests in mind. They also decentralized the power to make decisions. In other words, instead of making all the decisions for their employees, the managers allowed them to make many of the decisions themselves. When people are allowed to participate freely in decision making, it contributes to their feelings of satisfaction, because it leads them to believe they can affect their organizations. In contrast, when the power to make decisions is concentrated in just a few, employees are likely to feel powerless and ineffective, thereby contributing to their feelings of dissatisfaction.

The changes in supervision made at the Safeway bakery illustrate that job satisfaction is under managers' control. This case also provides a valuable tip: By treating people with respect and allowing them to make decisions bearing on how to do their jobs, satisfaction can be improved. ▣

ORGANIZATIONAL COMMITMENT: FEELINGS OF ATTACHMENT TOWARD ORGANIZATIONS

Thus far, our discussion has centered on people's attitudes toward their jobs. To understand work-related attitudes fully, however, we also must focus on people's attitudes toward the organizations in which they work — that is, on their **organizational commitment**. The concept of organizational commitment concerns the degree to which people are involved with their organizations and are interested in remaining within them.

organizational commitment

The extent to which an individual identifies and is involved with his or her organization or is unwilling to leave it (see *affective commitment* and *continuance commitment*)

This important attitude may be completely unrelated to job satisfaction. For example, nurses may like the work they do but dislike the hospitals in which they do it, thus leading them to seek similar jobs elsewhere. By the same token, waiters may have positive feelings about the restaurants in which they work but dislike waiting on tables. These complexities illustrate the importance of studying organizational commitment. We begin by examining the different dimensions of organizational commitment, and we then review the impact of organizational commitment on organizational functioning. We conclude by presenting ways of enhancing commitment

Varieties of Organizational Commitment

Being committed to an organization is not only a matter of "yes or no"—or even of "how much." Distinctions also can be made regarding "what kind" of commitment is involved. Specifically, scientists have distinguished three forms of commitment (Figure 5 9).

Continuance Commitment   Have you ever stayed on a job because you just did not want to bother finding a new one? If so, you already are familiar with the concept of **continuance commitment**, which refers to the strength of a person's desire to remain working for an organization because of his or her belief it may be costly to leave

The longer people remain in their organizations, the more they stand to lose what they have invested in them over the years (e g, retirement plans, close friendships)
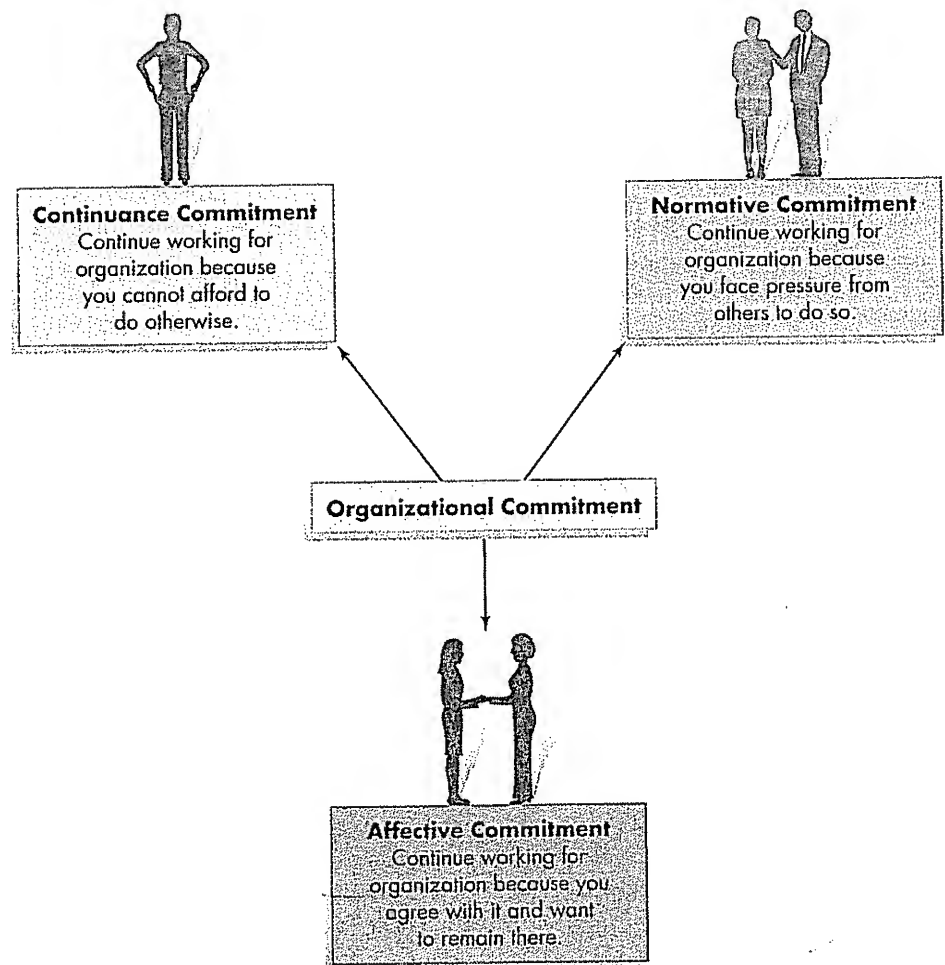
continuance commitment

The strength of a person's desire to continue working for an organization because he or she needs to and cannot afford to do otherwise.

FIGURE 5 9

Organizational Commitment: Three Different Forms

Organizational commitment consists of three forms: *continuance commitment, normative commitment,* and *affective commitment*

Continuance Commitment
Continue working for organization because you cannot afford to do otherwise.

Normative Commitment
Continue working for organization because you face pressure from others to do so.

Organizational Commitment

Affective Commitment
Continue working for organization because you agree with it and want to remain here.

Many people are committed to staying on their jobs simply because they are unwilling to lose these things. Such individuals may be said to have a high degree of continuance commitment.

Today, however, signs suggest continuance commitment is not as high as it used to be. Traditionally, people sought jobs that offered lifetime employment; many employees would stay on their jobs their whole working lives, starting at the bottom and working their way to the top. That scenario no longer is readily found, however. The unspoken pact of job security in exchange for loyalty has all but faded from the organizational scene. In the words of a young project manager at a New Jersey location of Prudential, "If the economy picked up, I'd consider a job elsewhere much sooner than before. I wouldn't bat an eye."[36] This expression of willingness to leave one's job reflects a low degree of continuance commitment.

Affective Commitment   A second type of organizational commitment is affective commitment — that is, the strength of people's desires to continue working for an organization because they agree with its underlying goals and values. People with high degrees of affective commitment desire to remain in their organizations because they endorse what the organization stands for and are willing to help in its mission.

affective commitment
The strength of a person's desire to work for an organization because he or she agrees with its goals and wants to do so

Sometimes, particularly when an organization is undergoing change, employees may wonder if their personal values continue to match those of the organization in which they work. When this happens, they may question whether they still belong and, if they believe they do not, resign.

Several years ago, Ryder Truck Company successfully avoided losing employees by publicly reaffirming its corporate values. Ryder faced a situation in which the company was expanding beyond its core truck-leasing business and also dealing with changes from deregulation (e.g., routes, tariffs, taxes). To guide employees through this tumultuous time, chief executive Tony Burns went out of his way to reinforce the company's core values: support, trust, respect, and striving. He spread this message far and wide, throughout the company, using videotaped interviews, articles in the company magazine, plaques, posters, and even laminated wallet-size cards printed with the company's core values. Along with other Ryder officials, Mr. Burns is convinced reiterating the company's values was responsible for the high level of affective commitment the company enjoyed during this turbulent period.

Normative Commitment   A third type of organizational commitment is normative commitment, which refers to an employee's feelings of obligation to stay with the organization because of pressure from others. People with high degrees of normative commitment are greatly concerned about what others would think of them for leaving. They are reluctant to disappoint their employers, and they worry their fellow employees may think poorly of them for resigning.

normative commitment
The strength of a person's desire to continue working for an organization because he or she feels obligations from others to remain.

GLOBAL MATTERS

Research has found that the same three types of organizational commitment studied in North America — continuance, affective, and normative — also operate in South Korea.[37]

Like the other forms, normative commitment, typically is assessed using a paper-and-pencil questionnaire. (For questions measuring organizational commitment and to assess your own degree of organizational commitment, see the "Experiencing Organizational Behavior" section at the end of this chapter.)

Why Strive for a Committed Workforce?

As you might imagine, people who feel deeply committed to their organizations behave differently than those who do not. Specifically, several key aspects of work behavior are linked to organizational commitment.

YOU BE THE CONSULTANT

You are called upon by the president of a financial services company to help address its terrible turnover problem: Almost nobody is staying on the job for longer than four months. This is costing the company not only in terms of lost sales, but also astonomical training costs for new employees.

1. What would you suspect is the problem with respect to job satisfaction? How would you assess this problem? Then, what would you consider doing to solve it?

2. What types of organizational commitment may be to blame? What can be done to raise this level of commitment within the organization?

3. What factors do you suspect may be responsible for the low levels of job satisfaction and organizational commitment that exist?

Committed Employees Are Less Likely to Withdraw   The more highly committed employees are to their organizations, the less likely they are to resign or to be absent (i.e., employee withdrawal). Being committed leads people to stay on their jobs and to show up when they are supposed to be there. (High rates of absenteeism may be good signs of low organizational commitment, but people's willingness to be absent from work is likely based, in part, on their national background. For a look at this possibility, see the "OB Around the World" section in this chapter.)

This phenomenon was demonstrated in a large-scale survey study tracing dropout rates among U S. Air Force cadets during the four years required to get a degree. The more strongly committed to the service cadets were on entering the program, the less likely they were to drop out.[38] That commitment levels could predict behavior so far into the future is a good indication of the importance of organizational commitment as a work-related attitude.

Committed Employees Are Willing to Sacrifice for the Organization   Beyond remaining in their organizations, highly committed employees demonstrate a great willingness to share and to make sacrifices required for the organization to thrive. For example, when Chrysler was in serious financial trouble, CEO Lee Iacocca demonstrated his commitment to the company by reducing his annual salary to only $1. This move clearly was symbolic of the sacrifices the company wanted all its employees to make, but Iacocca's actions no doubt cost him a great deal of real money. Had he been less committed to saving Chrysler — a company that now is highly successful — there would have been little incentive for him to be so generous. In fact, a less strongly committed CEO might have bailed out altogether.

This does not mean only highly magnanimous gestures result from commitment. In fact, small acts of good organizational citizenship also are likely to occur among highly committed people. This makes sense if you consider that it takes being highly committed to an organization for people to be willing to give of themselves for the good of the company.

Not surprisingly, a study in Singapore found that regular employees (i.e., those with on-going employment relationships) are more committed to their jobs and engage in good organizational citizenship more often than contingent employees (i.e., those with no on-going employment relationship and who are called to work only when needed).[39] After all, if employers are not committed to them, employees have little reason to feel committed in return — and to demonstrate that commitment by doing the little things that make life at work more pleasant.

Considering these benefits of organizational commitment, it makes sense for organizations to enhance commitment among its employees. We now describe various ways of doing this.

ABSENTEEISM: SAME BEHAVIOR, DIFFERENT MEANINGS IN DIFFERENT COUNTRIES

I is easy to understand why people who are uncommitted to their jobs may want to stay away, thus potentially resulting in high rates of absenteeism. The degree to which people actually express their low commitment by staying away from their jobs, however, may depend on their national culture. This idea was tested recently by an interesting study in which large groups of employees from Canada and the People's Republic of China were surveyed about their attitudes toward being absent from work.[40]

In general, Chinese managers paid far more attention than their Canadian counterparts to absenteeism. For the most part, absence was very strongly discouraged — so much so that even an uncommitted Chinese worker was unlikely to stay home from work. The Chinese also frowned on absence based on illness, whereas the Canadians generally accepted illness as a valid excuse. This is in keeping with the idea that in Chinese culture, a person of good character is expected to maintain self-control, and taking time off work because of illness is considered to indicate lack of control.[41]

There was an interesting exception, however, to this general tendency for the Chinese to frown on absenteeism.

Specifically, compared with the Canadians, the Chinese were more likely to take time off work to deal with personal, domestic issues. They also believed it was much more appropriate to do so. There are two reasons for this. First, unlike their Canadian counterparts, the Chinese are not paid when they do not go to work; therefore, they do not receive pay for work they did not do, thus avoiding the potential guilt of overpayment inequity (see chapter 4). Furthermore, during the time of this study, it became possible for Chinese citizens to own private homes. Recognizing this, employers generally considered employees taking time off work to attend to household maintenance to be acceptable.

These findings underscore a key point: Lack of commitment may encourage absenteeism (by promoting an attitude in favor of it), but lack of commitment alone may not dictate whether someone actually will be absent. Determining this requires an understanding of the values regarding absenteeism within an employee's culture.

Approaches to Developing Organizational Commitment

Some determinants of organizational commitment fall outside the managers' spheres of control, thus giving them few opportunities to enhance these feelings. For example, commitment tends to be lower when employment opportunities are plentiful. An abundance of job options surely lowers continuance commitment, and there is not much a company can do about it. After all, managers cannot control the external economy, but they can make employees want to stay working for their company — that is, they can enhance affective commitment.

Enrich Jobs People tend to be highly committed to their organizations to the extent they have a good chance to control how they do their jobs and are recognized for making important contributions. Recall from chapter 4 that enriching jobs involves giving people more interesting work as well as responsibility over their work.

This approach worked well at Ford Motor Company. During the early 1980s, Ford confronted a crisis of organizational commitment in the face of budget cuts, layoffs, plant closings, lowered product quality, and other threats. In the words of Ernst J. Savoie, the director of Ford's Employee Development Office,

> [t]he only solution for Ford, we determined, was a total transformation of our company . . . to accomplish it, we had to earn the commitment of all Ford people. And to acquire that commitment, we had to change the way we managed people.[42]

With this in mind, Ford instituted its *Employee Involvement* program, which was a systematic way of involving employees in many aspects of corporate decision making. Employees not only performed a wide variety of tasks but also enjoyed considerable autonomy in doing them (e.g., freedom to schedule work and to stop the

assembly line if needed). By 1985, Ford employees were more committed to their jobs — so much so, in fact, that the usual acrimony at contract-renewal time had all but vanished. Employee involvement may not be the cure for all commitment ills, but it clearly was effective in this case.

Align the Interests of the Company with Those of the Employees   When making something good for the company also makes something good for employees, those employees are likely to be highly committed to that company. Many companies do this directly, such as by introducing profit-sharing plans — that is, incentive plans in which employees receive bonuses in proportion to the company's profitability. Such plans often are quite effective in enhancing organizational commitment — especially when they are perceived to be administered fairly.

profit-sharing plans
Incentive plans in which employees receive bonuses in proportion to the company's profitability

The Holland, Michigan, auto-parts manufacturer Prince Corporation, for example, gives its employees yearly bonuses based on several indices, including the company's overall profitability, the employee's unit's profitability, and each individual's performance. Similarly, workers at Allied Plywood Corporation, a wholesaler of building materials in Alexandria, Virginia, receive cash bonuses based on company profits, but in this company, these bonuses are distributed monthly as well as yearly. The monthly bonuses are the same size for everyone, whereas the annual bonuses are in proportion to each employee's individual contributions to total profit, days worked, and performance.

These plans are good examples of how companies enhance commitment. The plans themselves differ, but their underlying rationale is the same: When employees share in the company's profitability, they are more likely to see their own interests as being consistent with those of the company. When these interests are aligned, commitment is high.

Recruit and Select New Employees Whose Values Closely Match Those of the Organization   Recruiting new employees is important, both because it provides opportunities to find people whose values match those of the organization and because of the dynamics of the recruitment process itself. Specifically, the more an organization invests in someone (by working hard to lure him or her to the company), the more that individual is likely to return the same investment of energy (by expressing commitment toward the organization). In other words, companies that show employees they care enough to work hard to attract them are likely to find these individuals are strongly committed to the company.

In conclusion, it is useful to think of organizational commitment as being an attitude that managerial actions may influence. Not only might people who are predisposed to be committed to the organization be selected, but various measures also can enhance commitment in the face of indications it is suffering. (For an example of one company that appears to have done several things to promote organizational commitment, see Figure 5.10).

PREJUDICE: NEGATIVE ATTITUDES TOWARD OTHERS

"Don't jump to conclusions." This is advice we often hear, but when it comes to forming attitudes about others, it also is advice we often ignore. Instead, people frequently *do* jump to conclusions about others — and on the basis of very limited information. If you have ever made a judgment about someone based on his or her ethnic background, age, gender, sexual orientation, or physical condition, you are well aware of this ten-
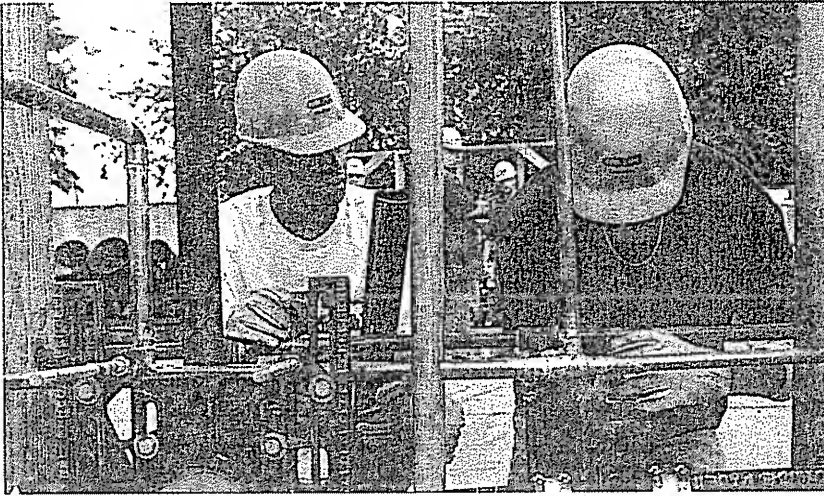
FIGURE 5.10

Organizational Commitment: Getting It Right

TDIndustries. a plumbing and air-conditioning contractor in Dallas. Texas, ranked second in *Fortune* magazine's 1999 listing of the 100 best companies for which to work Its low. 13-percent rate of voluntary turnover is a good indication that employees are highly committed to the company. This makes sense considering that management respects and heeds the preferences of all 994 employees In fact, lower-level employees own 75 percent of this company's stock

dency. As we discussed in conjunction with *stereotypes* (see chapter 2), such judgments frequently are negative in nature.

Prejudice and Discrimination: A Key Distinction

A negative attitude toward another based on his or her membership in a particular group is referred to as **prejudice**.[45] Not only might people holding prejudicial attitudes have negative beliefs and feelings, they may be predisposed to behave in ways consistent with those attitudes For example, an employment interviewer holding negative stereotypes toward a certain minority group may evaluate negatively a candidate belonging to that group and be disinterested in hiring that individual.

If this prejudicial attitude actually leads the interviewer to not hire the candidate, this is an act of **discrimination** In other words, the interviewer acted consistently with his or her negative attitude, thereby not giving the candidate a fair chance and treating different people in different ways The key thing to remember is this: Prejudice is a negative attitude, whereas discrimination is the behavior that follows from it (i.e., the behavioral expression of that attitude). For a summary of this idea, see Figure 5.11

prejudice
Negative attitudes toward the members of specific groups based solely on their membership in those groups (e.g., age, race, sexual orientation)

discrimination
The behavior consistent with a prejudicial attitude; the act of treating someone negatively because of his or her membership in a specific group
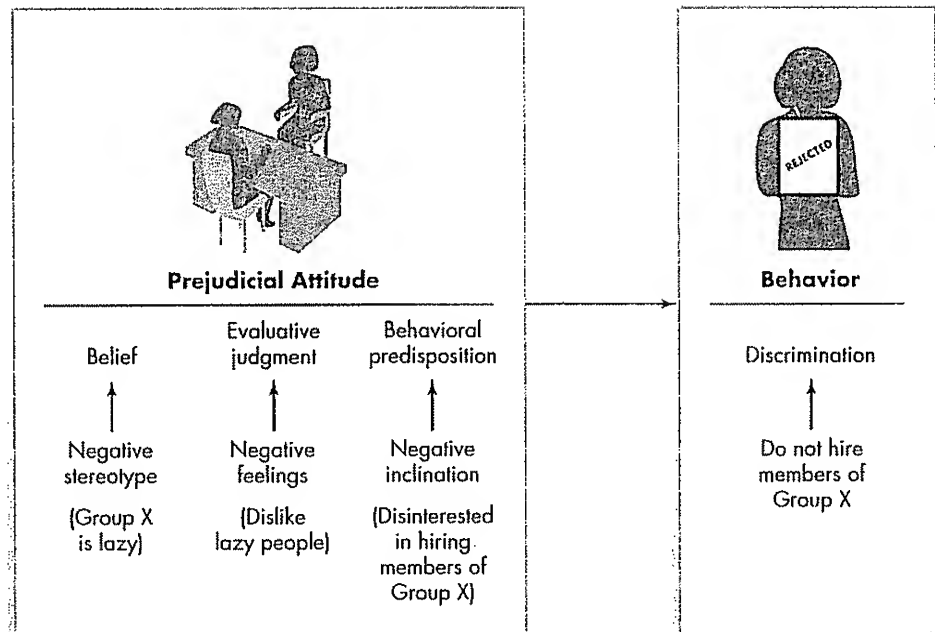
The Reality of Diversity and the Problems of Prejudice

One reason why organizational leaders must be concerned about prejudice in the workplace is that such views cannot be tolerated In today's workplace, ethnic and cultural diversity is the rule (see chapter 1).

The Reality of Diversity The United States is an ethnically diverse nation — and it is getting increasingly more diverse. For example, by 2040, it is estimated that half the U S. population will be composed of people of African, Latin, Native American, or Asian descent In addition, women, who for many years only infrequently worked outside the home, currently fill 65 percent of all new jobs, and in just a few years, approximately half the civilian workforce will be composed of women.[44] For some companies, diversity already is a reality For example, at the Solectron Corporation, a computer-assembly company in Milpitas, California, 30 nationalities and 40 different languages and dialects can be found among the 3,200 employees.[45]

FIGURE 5.11

Prejudice and Discrimination: A Key Distinction

Prejudice is an attitude, and as such, it consists of the three basic components of attitudes. *Discrimination* refers to behavior based on that attitude.

Prejudicial Attitude

Belief	Evaluative judgment	Behavioral predisposition
↑	↑	↑
Negative stereotype	Negative feelings	Negative inclination
(Group X is lazy)	(Dislike lazy people)	(Disinterested in hiring members of Group X)

Behavior

Discrimination

↑

Do not hire members of Group X

◆ GLOBAL MATTERS Resulting largely from relaxed immigration restrictions and the availability of inexpensive transportation, the trend toward diversity in the workplace is international in scope. Even nations that traditionally have had few immigrants (e g., Australia) now have a more diversified workforce than ever.

As this picture of the highly diverse U S. workforce unfolds, prejudices against various groups still exist, and these prejudices are likely to have serious consequences. Before describing the nature of such prejudicial attitudes, however, we first outline some of the general problems they create.

Problems Stemming from Prejudice in the Workplace   First, prejudice can produce *serious friction or conflict* between people. A highly diverse workforce potentially can provide the advantage of differing opinions and perspectives, but this may turn into a disadvantage if individuals hold prejudicial attitudes. Indeed, if one's group membership causes an underlying current of distrust, the resulting conflict may disrupt the organization as people fail to cooperate to get their jobs done. In extreme cases, the discriminatory actions that follow from prejudicial attitudes culminate in legal action, such as employees charging their employer with unfair discrimination[46] and customers charging companies with discriminatory actions.[47]

Second, prejudice may have *adverse effects on the careers of people targeted by such attitudes*. Affected individuals may encounter various forms of discrimination — some very subtle but others quite overt — regarding hiring, promotion, and pay. For example, there are more women than ever in the workforce, and they are doing higher-level work than ever before. Even so, they remain highly underrepresented in the upper echelons of organizations. In fact, only 3.0 percent of senior managers and 5.7 percent of corporate directors-of *Fortune* 500 companies are women (Figure 5.12).[48] Because the discrimination is quite real but is not admitted openly, it frequently is referred to as the *glass ceiling* (i.e., a barrier that cannot be seen)

FIGURE 5.12

Women Have Come a Long Way in the Workplace

During World War II, women worked in factories that manufactured products supporting male troops abroad. More than a half-century later, today's women are not relegated to supporting roles in the world of work, but discrimination against women in the workplace still exists. thus creating a barrier that keeps them from attaining top positions

ETHICS MATTERS

Most people consider the glass ceiling to be unethical, because it denies women equal opportunities to attain top positions. Such equality of opportunity is fundamental to the ethical treatment of people.

Third, we cannot overlook the devastating psychological effect on victims of discrimination. Not only is the victim penalized, but so are others with the same background (i.e., *covictimization*).[49] To the extent talented individuals are passed over because of their membership in certain groups, their self-esteem suffers. This, of course, is in addition to the loss to the organization by overlooking talented individuals simply because they are not white males. In today's highly competitive, global economy, this is a mistake no company can afford

VARIOUS "GROUPISMS": EVERYONE CAN BE A VICTIM OF PREJUDICE

If there is any truly "equal opportunity" for people in today's workplace, it is that we *all* stand a chance of being the victim of prejudice. Indeed, there are many different forms of *groupism* — that is, prejudices based on membership in certain groups — and no one is immune.[50]

Prejudice Based on Age

All of us eventually get older (if we're lucky), and as people live longer and the birth rate holds steady, the median age of Americans is rising.[51] Clearly, however, prejudice based on age remains all too common. Laws in the United States and elsewhere have done much to counter employment discrimination against older workers, but these prejudices continue.

Part of the problem resides in stereotypes that older workers are too set in their ways to train and tend to be sick or accident-prone. As with many attitudes, these prejudices are not founded on accurate information. In fact, survey findings paint just the opposite picture. Organizations tend to have extremely positive experiences with older workers: They have good skills, are highly committed to doing their jobs well, and have outstanding safety records.[52]

Younger workers also find themselves to be victims of prejudice. For them, part of the problem is that as the average age of the workforce advances (from 29 years in 1976 to 39 years in 2000), a gap develops in the expectations of the more

experienced, older workers who are in charge and of the younger employees just entering the workforce. Specifically, today's under-30 employees view the world differently compared with older workers. They are more prone to question how things are done, to not see the government as being an ally, and to not expect loyalty. They are likely to consider self-development to be their main interest, and they are willing to learn whatever skills are necessary to make themselves marketable. These differing perspectives may lead older employees to feel uncomfortable with their younger colleagues. This is especially problematic as the nature of work continues shifting so that people with different skills are brought together to work in teams.

There is encouraging news, however: A survey of employees' attitudes toward older workers found that even younger workers hold generally positive views of older workers — though these views were not quite as positive as those the older workers hold toward themselves.[53] Interestingly, this same study found that the more time younger people spend working with their older colleagues, the more positive — and the less stereotypical — their attitudes were toward them. The implications of this are that simply bringing younger and older workers together may chip away at age-based stereotypes (Figure 5.13).
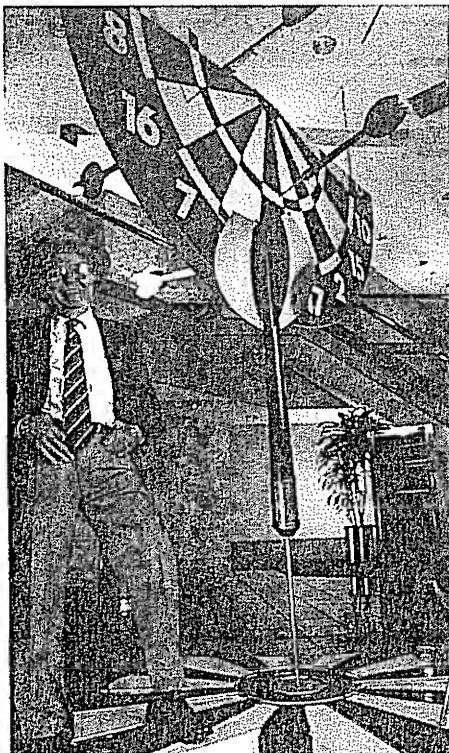
Prejudice Based on Physical Condition

We all have some physical feature that keeps us from doing certain kinds of work. Some people are not strong enough to load heavy packages onto trucks. Others are not athletic enough to play professional sports. Still others lack the agility and stamina needed to be a firefighter. Thus, everyone may be handicapped in some way, but certain physical conditions tend to be the focus of widely held prejudicial attitudes. Such conditions (e.g., blindness, disfigurement, physical paralysis) are said to be *stigmas* — that is, to be negative aspects of one's identity.[54]

During the early 1990s, the Americans with Disabilities Act (ADA) was enacted in the United States to safeguard the rights of people with physical and mental disabilities. The rationale behind this law is simple: Just because an employee is limited in some way, it does not mean that accommodations cannot be made to help this individual perform his or her job. Companies that do not comply are subject to legal damages. In fact, the first award under the ADA — $572,000 — was presented to an employee fired after missing work while recovering from cancer, and as many as 15,000 discrimination claims were filed under this law during the first year alone.[55]

Many companies find they can meet the needs of disabled employees quite easily — and with little expense. For example, Greiner Engineering, Inc., of Irving, Texas, accommodated its employees in wheelchairs simply by substituting a lighter-weight door on its restrooms and by raising a drafting table with some bricks under its legs.[56] Not all accommodations are made so easily, of course, but experts are confident the ADA will minimize discrimination against employees based on their physical condition.[57]

Prejudice Based on Race and National Origin

The history of the United States is marked by struggles for acceptance by various racial and ethnic groups. As documented, the U.S. workplace is more diverse today than ever, but prejudicial attitudes clearly linger. The results of a large survey of U.S. workers, as summarized in Figure 5.14, illustrate this point.[58]

Members of various minority groups not only believe they are victims of prejudice and discrimination, they are taking action. For example, complaints of discrimination based on national origin filed at the Equal Employment Opportunity Commission (EEOC) between 1989 and 1991 increased by 30 percent. Moreover,

FIGURE 5.13

Meet "Mr. Adult Education"

We tend to think of young people as being involved in the education business, but John Sperling, 78, shatters this stereotype. His company, the Apollo Group, runs the for-profit University of Phoenix, with 74,500 students (all of whom are older than 23).
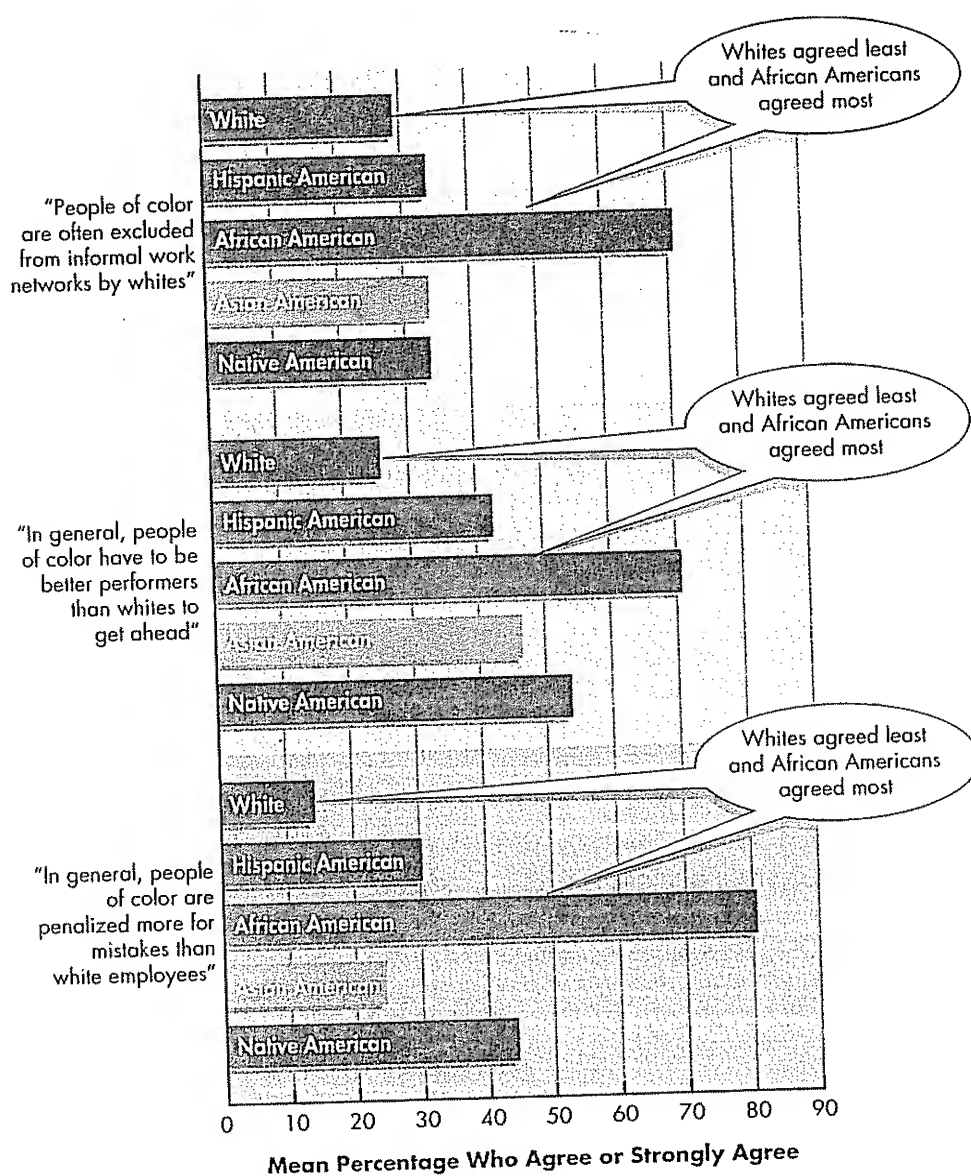
FIGURE 5.14

Does Racial Discrimination Exist? It Depends on Who You Ask

A survey of U.S. workers showed racial discrimination is believed to be prevalent in many forms. Its main victims, African Americans, tend to be more aware of discrimination than those who are least affected by it (i.e., White Americans).

(*Source:* Based on data reported by Fernandez & Barr, 1993; see note 44.)

"People of color are often excluded from informal work networks by whites"

Whites agreed least and African Americans agreed most

White
Hispanic American
African American
Asian American
Native American

"In general, people of color have to be better performers than whites to get ahead"

Whites agreed least and African Americans agreed most

White
Hispanic American
African American
Asian American
Native American

"In general, people of color are penalized more for mistakes than white employees"

Whites agreed least and African Americans agreed most

White
Hispanic American
African American
Asian American
Native American

0   10   20   30   40   50   60   70   80   90

Mean Percentage Who Agree or Strongly Agree

victims of discrimination have been winning such cases. For example, in 1993, the Supreme Court of the state of Washington upheld a $389,000 judgment against a Seattle bank brought by a Cambodian-American employee who was fired because of his accent.[59] Outside the courtroom, companies that discriminate pay in other ways as well, most notably in lost talent and productivity. According to EEOC Commissioner Joy Cherian, employees who feel victimized "may not take the initiative to introduce inventions and other innovations," and she adds that "every day, American employers are losing millions of dollars because these talents are frozen."[60]

To help minimize these problems, some companies are taking concrete steps. For example, AT&T Bell Labs in Murray Hill, New Jersey, is working with managers to help the company's minority employees get promoted more rapidly. Similarly, Hughes Aircraft of Los Angeles has been assigning mentors to minority employees to teach them the company's culture as well as the skills needed to succeed.[61] Both examples are only modest steps, but they represent encouraging trends that should help to reduce this long-standing problem.

Prejudice Based on Sexual Orientation

Unlike people with physical disabilities, who are protected against discrimination by federal law, no such protection currently exists for another group whose members frequently are victims of prejudice — that is, homosexuals. More people than ever are tolerant of nontraditional sexual orientations, but unfortunately, anti-homosexual prejudice still exists in the workplace. Indeed, approximately two-thirds of CEOs from major companies note they are reluctant to put homosexuals on top management committees.[62] Not surprisingly, without laws to protect them and with widespread prejudices against them, many gays and lesbians are reluctant to make their sexual orientations known.[63]

Fears of being "discovered" (i.e., exposed as being a homosexual) represent a considerable source of stress among such individuals. For example, a gay vice president of a large office-equipment manufacturer in Chicago admits he would like to become the company's CEO, but he fears his chances will be ruined if his sexual orientation becomes known.[64] The pressure of having to go through life — or at least through an important part of it — with a disguised identity must be extreme, but imagine the cumulative effect of such efforts on organizations with several homosexual employees. Such misdirected energy can be a serious productivity issue. In the words of consultant Mark Kaplan, "gay and lesbian employees use a lot of time and stress trying to conceal a big part of their identity."[65] To work in an organization with a homophobic culture, to endure jokes slurring gays and lesbians, easily can distract even the most highly focused employee.

To help avoid these problems — and out of respect for diverse sexual orientations — many organizations have adopted internal fair employment policies that include sexual orientation. In addition, some companies actively prohibit discrimination based on sexual orientation. Extending this idea, still other companies now extend fringe benefits, which traditionally have been offered exclusively to opposite-sex partners, to same-sex domestic partners as well. Russ Campanello, vice president of human resources for Lotus Development Corp., the Cambridge, Massachusetts, developer of software products, notes that having such a program is an important key to his organization's success in attracting highly talented technical personnel.[66] Clearly, some companies are passively discouraging diversity in sexual orientation, but others are encouraging such diversity and using it to their own — and to their employees' — advantage.

Prejudice Against Women

There can be no mistaking the widespread — and ever-growing — presence of women in today's workforce. In 1991, women composed 46 percent of the U.S. workplace, up from 43 percent in 1981. Also in 1991, 41 percent of managers were women, compared with only 27 percent in 1981. Still, female senior executives (i.e., individuals reporting directly to the CEO) are relatively rare — only three percent are women.[67] Is this likely to change during the next 10 years? When executives completing a recent *Business Week*/Harris poll were asked how likely their company is to have a female CEO within 10 years, 82 percent said it was not likely.[68] They were a bit more optimistic, however, about the longer-term prospects. Thus, whereas women regularly populate corporations, only rarely do they run them. Equality for women in the workplace is improving, but it is a slow victory.

Why is this the case? Sufficient time may not have passed for more women to work their way into the top echelons of organizations, but there appear to be more formidable barriers. Most notably, powerful *sex-role stereotypes* — that is, narrow-minded beliefs about the kinds of tasks for which women are most appropriately suited — clearly still persist. For example, eight percent of respondents to the *Business Week*/Harris survey indicated women are not aggressive or determined enough to make

it to the top. This number is small, yes, but it provides good evidence for the persistence of a nagging — and highly limiting — stereotype.

Such stereotypes have kept women from important organizational positions, including that innermost circle of corporate power: the board of directors. The number of women gaining admission to this special group may be growing, but evidence exists that their roles still may be limited by stereotypes. Boards of directors provide important direction to organizations, and they typically are composed of committees dedicated to specific areas of responsibility (e.g., finance, compensation, public affairs). One recent study, however, found that membership in these committees generally followed gender stereotypes.[69] Specifically, women generally were equally qualified to hold memberships in all committees, but they typically were kept off committees closely linked to basic corporate governance (e.g., compensation, finance). Women were favored for membership only in committees with more peripheral functions (e.g., public affairs) Clearly, sex-role stereotypes remain alive and well in this one bastion of organizational power.

MANAGING A DIVERSE WORKFORCE: CURRENT PRACTICES

Having established that prejudices abound and may be harmful in the workplace, a question arises as to what, precisely, organizations can do about this state of affairs. To begin answering this question, it is important to get a sense of the importance of diversity in today's organizations.

Do Companies Care about Diversity?

First, we must ask if companies do care about diversity. Specifically, is it of concern to them, and if so, why?

Is Diversity on Today's Corporate Agenda?   Several years ago, the American Society for Training and Development surveyed a sample of Fortune 1000 companies regarding their stance on diversity issues The results suggested that diversity management was *not* at the top of their agenda Only 11 percent reported it was a high priority, but 33 percent indicated they were only beginning to look at it. In fact, one-quarter of the companies surveyed indicated they were not doing anything at all.[70]

An encouraging sign, however, is that the trend clearly is toward more activity, not less. Additional survey results have found that 55 percent of employees believe their company's management has become more strongly supportive of diversity programs during the past two years, and only four percent indicate decreased attention to diversity management efforts.[71] In fact, 91 percent indicate their company's senior management considers the treatment of people to be the "make-or-break corporate resource" of the day.[72] So, to answer the question at the beginning of this section, concern about diversity issues *is* rapidly growing.

GLOBAL MATTERS

The trend toward diversity management is strongest in the United States and Canada and only now is beginning to catch on in other nations. In other words, ethnic diversity is a fact of life in international business, but diversity management practices are not.

Why Do Companies Engage in Diversity Management?   You may believe that companies pay attention to diversity management only because of government pressure. In one survey, however, this was identified as being a contributing factor by only 29 percent of respondents.[73] In contrast, this same survey found the two major factors are:

- Awareness by senior managers of the importance of diversity management programs (identified as a contributing factor by 95 percent of respondents).
- Recognition of the need to attract and to retain a skilled workforce (identified as a contributing factor by 90 percent of respondents).

What Are Today's Companies Doing about Diversity?

Identify prejudicial attitudes is one thing. Eliminating them is quite another. Two major approaches have been taken to doing precisely this: *affirmative action plans*, and *diversity management programs*.

affirmative action laws

Legislation to give employment opportunities to groups that have been underrepresented in the workforce (e g , women, minorities)

Affirmative Action Plans   Traditionally, affirmative action laws have been used to promote the ethical treatment of women and minorities in U S. organizations. Derived from the civil rights initiatives of the 1960s, these laws generally involve efforts to give employment opportunities to groups who traditionally have been disadvantaged. The rationale is quite reasonable: By encouraging the hiring of women and minorities into positions where they traditionally have been underrepresented, more people will be exposed to them, thereby forcing them to see that their negative stereotypes were misguided. Then, as these stereotypes crumble, prejudice — and the discrimination on which it is based — will be reduced.

After some 30 years of affirmative action programs, there can be little doubt that, despite problems, they have been effective at bringing women and minorities into the workforce.

Diversity Management Programs   Many of today's organizations are interested in going beyond affirmative action, not just by hiring a wider variety of different people but also by creating an atmosphere in which diverse groups can flourish. These organizations are not merely obeying the law or being socially responsible. They recognize that diversity is a business issue (Figure 5.15).

As one consultant put it, "A corporation's success will increasingly be determined by its managers' ability to naturally tap the full potential of a diverse workforce."[74]

FIGURE 5 . 1 5

Diploma Today, Job Tomorrow

Members of this recent Florida A&M University graduating class have something to cheer about. These talented African Americans are typical of many who today are well trained and are being offered excellent jobs by companies interested in promoting diversity within its ranks

Thus, many organizations are adopting diversity management programs — that is, efforts to celebrate diversity by creating supportive, not just neutral, work environments for women and minorities.[75] Simply put, the underlying philosophy of diversity management programs is that cracking the glass ceiling requires women and minorities be valued, not just tolerated.[76] In this section, we identify various types of diversity management programs, and we describe some examples of successful diversity management efforts.

diversity management programs
Programs in which employees are taught to celebrate the differences between people and in which organizations create supportive work environments for women and minorities

How Are Companies Fostering Workforce Diversity?   A large survey by the Society for Human Resource Management and the Commerce Clearing House found that several diversity management practices are widespread.[77] These include:

- Promoting policies that discourage sexual harassment (93 percent of organizations surveyed).
- Providing physical access for employees with physical disabilities (76 percent).
- Offering flexible work schedules (66 percent).
- Allowing days off for religious holidays that may not be recognized widely (58 percent).
- Offering parental leaves (57 percent).

This same survey, however, found that organizations did not always follow up on their diversity efforts. Among companies that conducted some type of diversity traning, only 30 percent gathered any formal data to see if it is working, and only 20 percent formally rewarded managers for promoting diversity in the workplace.

The bottom line is clear: There generally is more talk about diversity than action in today's organizations. Still, there are encouraging signs of improvement. Given the growing awareness about the importance of diversity management activities, we suspect more companies will enhance their competitiveness by capitalizing on the diversity of their workforces. (For a closer look at one particular company in this regard, see the "Trends" section below.) With this in mind, we now summarize some of the specific tactics used to manage workplace diversity.

◘ Pacific Enterprises Tops the "Diversity Elite"

Most companies express commitment to a diverse workforce and make some effort at promoting diversity, but a few have gone to great lengths to show how serious they are when it comes to hiring, promoting, and retaining minorities. With the goal of identifying such exemplary organizations — that is, the "diversity elite" — *Fortune* magazine recently evaluated the largest U.S.-based companies regarding their commitment to racial and ethnic diversity.[78] Categories in which companies were scored included representation by minority group members (especially in top-paid, key executive positions and on boards of directors) and the variety of diversity management programs in force.

Making the Top 24 were such highly recognizable corporate icons as BankAmerica, Marriott, Pitney Bowes, Allstate, FedEx, Du Pont, Xerox, Anheuser-Busch, and Nike — all of which have been actively promoting diversity within their ranks. Heading the list, however, was Pacific Enterprises (PE), the Los Angeles-based, energy services holding company whose Southern California Gas Co. is the

largest natural-gas utility in the United States. This $2.8-billion-a-year company (along with BankAmerica) is unusual in that it made virtually all its charitable contributions to organizations that benefit minorities.

What really vaulted PE to the top was its tremendous successes in retaining minority employees and in promoting them to top positions. In fact, one-quarter of all PE's board members, one-third of its corporate officials and managers, and more than half of its 7,100-employee workforce are members of racial and ethnic minorities. That these numbers are higher than those of any other company surveyed — and considerably higher than the national averages for all companies — reflects PE's strategy of providing excellent service by having employees who are similar to its customers. Given what PE's treasurer Dennis Arriola refers to as the company's "smorgasbord of customers," it is no surprise that PE goes out of its way to maintain a "smorgasbord of employees" to serve them.[79]

As with most companies today, keeping talented employees on the payroll has been an on-going challange for PE. Among the company's tactics for winning the retention battle has been an especially potent weapon known as the Readiness for Management (RFM) program, which is a systematic effort to train and promote minority employees before other companies lure them away. The RFM program allows employees to nominate themselves for the managerial fast-track by giving them a series of self-assessment tests to determine how they most need to improve their managerial skills and then guiding them in developing these skills.

Over the years, the RFM program has identified some of PE's most talented minority employees — who otherwise might have been overlooked as prospects for management positions. This program has helped PE to retain its large base of minority employees by convincing them PE is a great company in which to work. Patricia Wallace is a good case in point. An African-American graduate of the RFM program, she has worked her way from an entry-level position to manager of the company's call centers. Although she admits to having "gotten restless from time to time," Ms. Wallace readily acknowledges the company's commitment to continuous learning and has remained at PE because, as she puts it, "working here is probably as good as it gets."[80] Ms. Wallace probably did not realize it when she spoke those words, but the *Fortune* study bears out her observation.

To demonstrate just how good employees have it at PE, the company also does something quite unusual: It actively encourages them to explore jobs elsewhere! In fact, PE even teaches its people the skills of résumé writing and interviewing that would make them more attractive to the competition. Even when flirting with other companies, however, most PE employees have followed Patricia Wallace's example: electing to stay put. The more they look around, the better they appreciate the quality of life at PE. We suspect few other companies would be as secure when it comes to tolerating their employees' notions of resigning — let alone encouraging them to leave by showing them the door! Then again, no other company ranks number one on the list of the diversity elite. ▫

Varieties of Diversity Management Programs

In general, diversity management programs fall into two categories: *awareness-based diversity training*, and *skill-based diversity training*.[81]

awareness-based diversity training
A type of diversity management program to make people more aware of diversity issues in the workplace and get them to recognize the underlying assumptions they make about people.

Awareness-Based Diversity Training   Specifically, awareness-based diversity training is designed to raise people's awareness of diversity issues in the workplace and to help them recognize the underlying assumptions they make about people. It is a very basic orientation — and one that takes a cognitive approach. Typically, it involves teaching people about the business necessity of valuing diversity, and it makes them sensitive to their own cultural assumptions and biases. This may involve various experiential
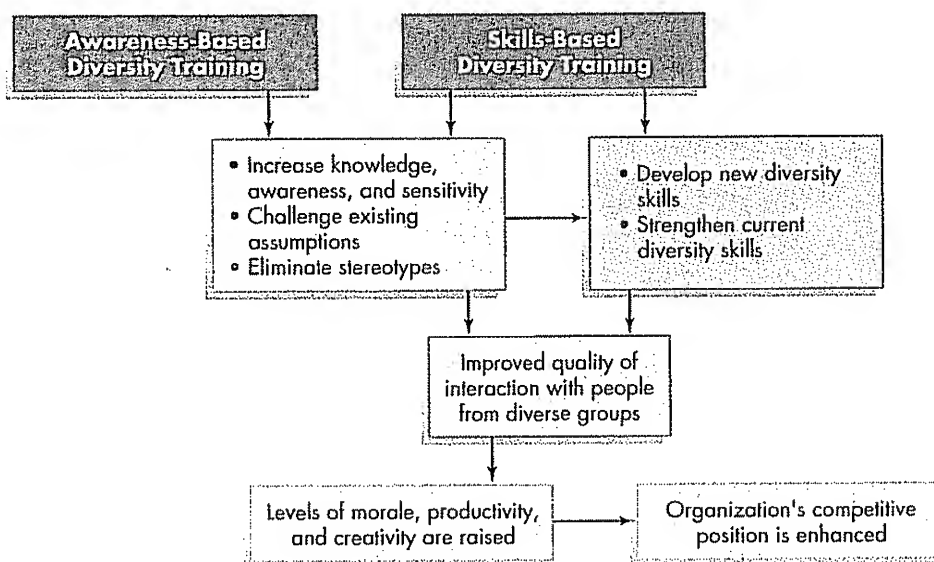
FIGURE 5.16

Diversity Management: Two Major Approaches to Training
Skills-based diversity training builds on the approach taken by *awareness-based diversity training.* Both approaches, however, strive toward achieving the same goals
(*Source:* Adapted from material in Carnevale & Stone. 1995; see note 81.)

exercises that help people to view others as being individuals, not stereotyped members of groups.

Skills-Based Diversity Training Building on the awareness approach is skills-based diversity training. This orientation is designed to develop people's skills in managing diversity As such, it goes beyond raising awareness. It develops the tools needed to interact effectively with others. Four main tools are involved in this process.[82] These include:

1. *Cross-cultural understanding:* Understanding the cultural differences responsible for why different coworkers behave differently on the job.

2. *Intercultural communication:* Learning to overcome verbal and nonverbal barriers to communication across cultures

3. *Facilitation skills:* Training in helping others to alleviate misunderstandings that may result from cultural differences

4. *Flexibility and adaptability:* Cultivating the ability to patiently take new and different approaches when dealing with others who are different

Both approaches to diversity training have the same long-term goals, which are summarized in Figure 5.16. They strive to make interaction between diverse groups of people easier and more effective. Once people are paying attention to each other, the road is paved for morale to improve, productivity to be enhanced, and people to focus their creative energies.

With all these benefits in hand, organizations are positioned to attain their ultimate goal: to improve their economic position. Does this, in fact, happen? In other words, are diversity management efforts effective?

skills-based diversity training
An approach to diversity management that goes beyond *awareness-based diversity training* to develop people's skills in managing diversity

IS DIVERSITY MANAGEMENT EFFECTIVE?

Clearly, companies that invest resources in diverse employees and in bringing out the best in those individuals are interested in getting a return on their investment. Therefore, does diversity management work? The answer is "yes"—but under certain conditions.

Diversity Management: It Works!

Recent evidence paints a convincing picture of the ultimate effectiveness of diversity management efforts. Researchers reasoned that when companies use their human resources effectively, they can lower their costs and, thereby, perform better than their competition.[83] To test this notion, they compared two groups of companies from 1986 through 1992. One group included organizations that received awards from the U.S. Department of Labor for their exemplary efforts at managing diversity. The other group included companies that had settled large claims filed against them for employment discrimination.

To compare the performance of these organizations, the researchers relied on a key index of economic success: stock returns. The findings were striking: Companies that made special efforts to use their diverse human resources were considerably more profitable than those that discriminated against employees. As the researchers explained, organizations that capitalize on the diversity of their workforce are better able to attract and to retain the talented people needed for organizations to thrive. Clearly, managing diversity makes sense not only because it is the right way to treat people, but also because it is good business!

Successful Diversity Management: Some Notes of Caution

Most companies have been pleased with how their diversity management efforts have promoted harmony between employees, but some have encountered problems. In the most serious cases, diversity management efforts have backfired, leaving race and gender divisions even greater.[84]

Focus on Differences Between People, Not Stereotypes   The most serious problems have stemmed from the practice of focusing on stereotypes — even positive ones. Thinking of people in stereotypical ways can create barriers that interfere with looking at people as individuals. Therefore, instead of looking at the *average* differences between people, which may reinforce stereotypes, experts recommend looking at a *range* of differences between people — a range that promises to become even greater in the years ahead.[85]

Managers thus are advised not to treat someone as being special because he or she is a member of a certain group but because of the unique skills or abilities he or she brings to the job. To the extent managers are trained to seek, to recognize, and to develop the talents of employees — regardless of the groups to which they belong — they help to break down the barriers that made diversity training necessary in the first place.

Several other important notes of caution need to be identified, however. These are caveats that must be carefully considered when it comes to successful diversity training.[86] For a summary of several such concerns, see Table 5.2.

Managing Diversity Requires Total Managerial Support   Perhaps the main key to effective diversity management is *complete managerial support*. Indeed, you cannot do something as complex as celebrating diversity with a one-time effort. Successful diversity management requires sustained attention to diversity in all organizational activities. For example, companies with successful diversity management training programs also tend to require everyone to be trained, to define diversity very broadly (i.e., they do not limit it to only one or two groups), and to reward managers for special efforts at increasing diversity.[87] Without "going the extra mile," without completely supporting diversity activities, organizations may find themselves quite disappointed with their efforts.

In conclusion, although mistakes have been made in some diversity management programs, such programs in many cases have greatly helped organizations find ways of tapping the rich pool of talent in a highly diverse workforce.

TABLE 5.2

Potential Problems in Diversity Training

For diversity training efforts to succeed, they must avoid the potential problems outlined here.

PROBLEM	DESCRIPTION AND SOLUTION
Emotional tension is heightened	Talking about prejudices is likely to make people feel uneasy. Training needs to be conducted in a "safe," comfortable environment.
Possibility of polarization	Avoid discussions that have yes or no answers (e.g., "Should gays be allowed in the military?") Instead, encourage consideration of a broad range of options.
Some people may have personal "axes to grind."	Training sessions should not provide platforms for people who want to vent about past problems. Facilitators should keep the group on target.
Personal attacks may occur	Strong opinions on diversity issues may box people into corners. Treat everyone with respect and dignity.
Reactions to training will be varied	Some may welcome the training, whereas others may resent having to go through it. Addressing these feelings should be made a part of training sessions.
White males tend to be blamed	It is tempting to blame the dominant group, white males, for diversity problems, but no one group has a monopoly on prejudice and discrimination. White males should discuss their difficulties adjusting to a changing world.
Timing may be problematic	Avoid adding to stress by not scheduling sessions during periods in which other sensitive events (e.g., layoffs, contract negotiations) are occurring.
Reasons for training may be ingenuine.	Diversity training works best when part of a strategic effort by management to change policies to make a more "inclusive" organization. Training conducted because "everyone's doing it," however, is likely to fail — and maybe even backfire.

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SUMMARY AND REVIEW
OF LEARNING OBJECTIVES

1. **Define *attitudes*, and understand their basic components.**
   Attitudes are the stable clusters of feelings, beliefs, and behavioral tendencies directed toward some aspect of the external world. Work-related attitudes involve